

NEW JERSEY ALTERNATIVE FUEL VEHICLE INCENTIVES AND LAWS

Overview

New Jersey does not have any incentives for private sector alternative fuel vehicles (AFVs), except for lower per-gallon taxes for liquefied petroleum gas (LPG) and compressed natural gas (CNG) than for gasoline. The Environmental Protection & Energy Office is using \$1.5 million in oil overcharge funds to convert vehicles to alternative fuels for use by state agencies. Several New Jersey utilities are active in support of AFVs and offer rebates for purchases and conversion of vehicles.

Highlights

\$ Cash rebates from Public Service Electric & Gas for 1/3 of the conversion costs for CNG vehicles or the incremental costs for purchasing a new CNG vehicle.

State Incentives

The New Jersey Board of Public Utilities, Division of Energy, with support of a pilot grant from the U.S. Department of Energy is providing \$320,000 to assist the cities of Newark, Trenton, Jersey City, Elizabeth, and other communities in close proximity of existing or planned CNG refueling sites with converting vehicles to CNG or purchasing original equipment manufacturer (OEM) vehicles. New Jersey was awarded \$500K from Congestion Mitigation Air Quality (CMAQ) Program funding to expand the Clean Cities Program to municipalities throughout the state. The Division of Energy is using \$1.5 million in oil overcharge funds to convert vehicles to alternative fuels for use by state agencies. Proposed legislation would provide several tax incentives for alternative fuels and AFVs including a sales tax exemption, motor fuels tax exemption, and a corporate tax credit for vehicle conversions. For more information, contact Ellen Bourbon at (609) 984-3058.

Utility/Private Incentives

\$ **Public Service Electric & Gas** offers cash rebates for 1/3 of the conversion cost for CNG vehicles or 1/3 of the incremental cost for the natural gas vehicle (NGV) option on a new vehicle, up to \$1,000, with a maximum of \$50,000/customer. Public Service Electric & Gas offers a special rate for resale of CNG as a motor vehicle fuel. Refueling station development assistance is available on a case-by-case basis. Private fleets can make arrangements to refuel at Public Service Electric & Gas locations throughout the state. For more information, contact Chris Savastano at (201) 430-5788.

Elizabethtown Gas offers technical assistance, and design and construction assistance to build CNG refueling stations. Elizabethtown Gas will also assist customers with vehicle conversion. For additional information, call Georgia Hartnett at (908) 289-5000, extension 6102.

New Jersey Natural Gas Co. has ongoing pilot programs involving short-term loans of NGVs and a Fuelmaker refueling appliance to fleet operators to allow them to try natural gas as a vehicle fuel. Contact William Wells, NGV Consultant, at (908) 919-8030 for more information.

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Laws & Regulations

Senate Bill (SB) 565 (1995) mandates a study comparing the cost benefits of alternative fuels with other means of improving air quality.

Tax incentives are provided for LPG and CNG as transportation fuels, including a fuel tax rate of 5.25¢/gasoline gallon equivalent (gge), instead of the 10.5¢/gallon excise tax on motor fuels.

Public Law 1993, c. 69, approved March 10, 1993, authorizes the adoption of a low emission vehicle (LEV) program by the Department of Environmental Protection, but prohibits the use of California reformulated fuel. If the sale and use of reformulated fuel is required by Federal law, rule, regulation, agency ruling, order, opinion, or other action or court order, the LEV program in New Jersey shall expire 180 days from the date of enactment of the Federal law or requirement.

Points of Contact

Future Clean City

Northern New Jersey Clean Cities Program

A.J. Odoms (201) 733-6668

City of Newark

Department of Engineering

Ray Greenfield (201) 547-6848

City of Jersey City

Division of Engineering

New Jersey State Energy Office

Board of Public Utilities

Division of Energy

Ellen Bourbon (609) 984-3058

Public Service Electric & Gas

Chris Savastano (201) 430-5788

Elizabethtown Gas

Georgia Hartnett (908) 289-5000
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New Jersey Natural Gas Co.

William Wells (908) 919-8030

Sun Company

Michael Miller (610) 859-1849

Metropolitan Planning Organizations

North Jersey Transportation Planning Authority

Cliff Sobel (201) 639-8400

South Jersey Transportation Planning Organization

Timothy Chelius (609) 794-1941

New Jersey State Transportation Contact

Department of Transportation

John Moore (609) 530-2884

U.S. Department of Energy Regional Support Office

Philadelphia Regional Support Office

James Ferguson (215) 656-6977

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U.S. Department of Transportation Contacts

Federal Highway Administration

Region 1

Alicia Nolan (518) 431-4224
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Federal Transit Administration

Region 2

Robert Ritter (212) 264-8162

General Services Administration

Regional Fleet Manager

Region 2

Brian Smith (212) 264-3930

U.S. Environmental Protection Agency

Regional Pollution Prevention Coordinator

Region 2

Janet Sapadin (212) 637-3584